

Update on Efforts to Secure Fair Municipal Tax Duplication Payments

- Residents Encouraged to Write Members of the County Council -

Last month, the Village Board joined fellow municipalities in adopting a Resolution urging the County Council to adopt a fair payment formula for municipal tax duplication. Tax duplication was designed to reimburse municipalities within Montgomery County for public services provided by the municipalities rather than by the county. Eligible reimbursement categories include transportation (roadway maintenance), police, park maintenance and other services. To be eligible for reimbursement, the comparable county service must be funded from tax revenues derived partially from taxpayers in the municipality. More information can be found in the May issue of the *Crier* (page 3).

Thanks to a large-scale push by Montgomery County municipal leaders and residents, the County Council's Government Operations (GO) Committee recommended during its meeting on April 30 that the municipalities get the municipal tax duplication rebate amount they had been requesting for FY22 and put the processes in play to get fair rebates in FY23 and beyond.

This is a tremendous win, but is only a recommendation to the full County Council. The full Council needs to approve the GO Committee recommendation and then Council President Tom Hucker needs to put the money in the Reconciliation document for final approval.

GO Committee Chair Nancy Navarro proposed adding \$5 million to the County Executive's proposed amount for tax duplication rebates. The \$5 million was divided into three amounts (\$2 million, \$1.5 million, \$1.5 million), in case a decision is made that the County cannot fully fund the entire \$5 million. The \$5 million would be divided among the County's municipalities; if the County fully funds the increase, the Village would receive \$217,227.

The next most important step is in determining a fair amount to be reimbursed for police services. Gaithersburg, Rockville and Chevy Chase Village get no money for their police services, because we do not have full-service police agencies (only Takoma Park currently receives a payment as the only full-service municipal department in the county). The County Code needs to be changed to allow rebates for shared services and the four jurisdictions with police departments need to negotiate with the County on a reasonable formula that would estimate what the County would spend if they provided all of the police services. Negotiations are to be concluded by this October so that the amounts can be in the FY23 budget.

What can you do to ensure that Takoma Park and the other Montgomery County municipalities get back all of the money that has been overpaid to the County?

First, thank the GO Committee Members, Chair Nancy Navarro and members Andrew Friedson and Sidney Katz! Send an email, reach out via social media, or handwrite a note. After many, many years, the GO Committee unanimously voted for a real and fair resolution to the tax duplication matter that has been discussed for decades. Special recognition needs to go to Chair Navarro for actually putting the money on the table.

Second, reach out to the rest of the County Councilmembers and ask them to support the GO Committee's recommendation for the full amount of the money for FY22. The Council is likely to act next week on the recommendation.

Third, it's not real until it's in the budget! Contact Council President Tom Hucker and reinforce the importance of putting the entire additional \$5 million in the reconciliation budget. Let our officials know that you are watching their actions on this important issue of tax fairness.

DRAFT LETTER:

Dear Councilmembers,

Over the next two weeks, you have the opportunity to take a significant step towards finally resolving municipal tax duplication issues that have gone on for decades. The County Council's GO Committee has recommended funding and processes that will build on hard work done by municipal and county officials over the past few years. What are these recommendations?

- Adding \$5 million to the tax duplication payment recommended by the County Executive so that the County's municipalities receive the amount that is appropriate for FY22; and
- Expressing the expectation that, by October, the County Executive's staff will negotiate with the four municipalities with police departments to determine the appropriate rebate amounts for police services for FY23 and beyond; and that also park maintenance formulas and County Code language will be updated.
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What do we ask you to do? Vote to accept the unanimous GO Committee recommendation regarding tax duplication when it comes before you.

We also ask County President Tom Hucker and all Councilmembers to act to ensure that the full additional \$5 million is in the final FY22 County budget.

THANK YOU to GO Committee **Chair Nancy Navarro** and Committee Members **Councilmembers Sidney Katz** and **Andrew Friedson**! We appreciate your understanding of the hardship the municipalities have faced due to having the rebates frozen since 2012 and your belief that this is the year to resolve the issues.

Best regards,

Montgomery County municipal residents

So, send thanks to:

- Councilmember.Navarro@montgomerycountymd.gov
- Councilmember.Friedson@montgomerycountymd.gov
- Councilmember.Katz@montgomerycountymd.gov

Urge approval of the GO Committee's recommendations to:

- Councilmember.Albornoz@montgomerycountymd.gov
- Councilmember.Glass@montgomerycountymd.gov
- Councilmember.Jawando@montgomerycountymd.gov
- Councilmember.Rice@montgomerycountymd.gov
- Councilmember.Riemer@montgomerycountymd.gov

And, urge Council President Tom Hucker to put the \$5 million in the reconciliation budget:

- Councilmember.Hucker@montgomerycountymd.gov